

Gendered labour market trends

Thomson, Emily; Campbell, James

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Dr Jim Campbell and Emily Thomson

Gendered Labour Market Trends: Evidence for Scotland

This working paper explores the gendered dimension of labour market trends in Scotland. Increasing numbers of women have entered the formal labour market but the labour market continues to be characterised by significant gender inequality. There is evidence of persistent patterns of horizontal and vertical occupational segregation by gender, as well as women's over representation among those working part-time and amongst the 'underemployed'. Social expectations and stereotypes about male and female roles and responsibilities remain stubbornly resistant to change. The reconciliation of paid work with household reproduction and unpaid care, particularly of children, can help to explain women's unequal attachment to the formal labour market. The majority of unpaid work in the household, particularly care, falls disproportionately on women in Scotland, as in all other modern economies. Unpaid work remains largely invisible within official statistics although it is of vital importance to the functioning of Scotland's economy now and in the future.

Women's Participation in the Paid Labour Market

Table 1: Employment Rates in Scotland and Gender Gap Scotland & UK (16-64) 1995-2015

Year	Female (Scotland) %	Male (Scotland) %	Gender Gap Scotland (%)	Gender Gap UK (%)
July-Sept 1995	61.9	74.8	-12.9	-13.5
July-Sept 2005	68.2	78.3	-10.1	-12.1
July-Sept 2015	71.1	77.2	-6.1	-9.5

Source: ONS 2015a

Table 1 indicates that over the period 1995-2015 the gender employment rate gap in Scotland has more than halved primarily because of the rise in women's employment rate. Over the past twenty years men's employment rate peaked at 80.3% in April-June 2007 just prior to the financial crisis and the subsequent great recession whilst the employment rate for women peaked at 72.5% in Feb-April 2015. Over the whole period female employment rate in Scotland increased by 9.2% whilst that for men rose only by 2.4%.

Although the figures in Table 1 highlight the growing role of women in the Scottish labour market they also mask some important differences in the nature of employment pursued by women and men in Scotland.

In 2015 42% of women in work were employed part-time compared to only 13% of men in jobs. Part-time employment is normally defined as less than 30 hours per week (Organisation for Economic Co-operation and Development, 2015). The proportion of women working part-time has remained fairly constant over the past ten years whilst there has been a slight rise in the proportion of men on part-time contracts, particularly since the economic crisis of 2007/08.

The most significant rise in women's economic activity rates since the 1990s has been amongst women with dependent children particularly those under five years old. The gender gap for economic activity rate for the 16-64 age group was 8.1% in Jul 2014-Jun 2015 but rose to 13.6% for the 25-34 age group (ONS, 2015a).

Self-employment

Table 2: Trends in Self-Employment in Scotland as % of total employment 2004/5 to 2014/15

Year	Women (%)	Men (%)	Gender Gap (%)
July 2004 –June 2005	5.7	13.8	-8.1
July 2014 –June 2015	9.1	15.0	-5.9

ONS 2015a

The period 2005 to 2015 witnessed a rise in the level of self-employment among both men and women. However the fastest increase has been amongst women who experienced a 57.6% rise in the numbers self-employed over the period compared to an increase in men's self-employment of 11.8%. As a result there has been a decline in the self-employment gender gap as women's share of the total self-employed rose from 27.2% in 2004/05 to 34.4% in 2014/15. Using the OECDs definition of part-time employment, working less than 30 hours per week, 53.4% of self-employed women in Scotland in 2015 would be classified as part-time compared to 20.2% of self-employed men. The levels of female part-time self-employment have driven overall increases in total self-employment since 2008 (Scottish Government, 2015).

Therefore, whilst the rise in self-employment could be seen as evidence of a more dynamic and entrepreneurial economy, it should also be recognised that people may enter self-employment not through choice but rather necessity. The increase in self-employment in the UK since the great recession has attracted a different type of entrepreneur in terms of gender, hours of work, occupation and sector of employment (Philpott 2012). Sectors not traditionally associated with self-employment such as education, information and communications, financial services and social security have experienced the largest increases (Ibid). The evidence therefore would seem to suggest that the changes in the level of self-employment, has occurred more as a result of the lack of demand for labour rather than entrepreneurialism spurred by economic growth.

Underemployment

The ONS (2014: 25) defines underemployment as:

“those people in employment who are willing to work more hours, either by working in an additional job, by working more hours in their current job, or by switching to a replacement job.”

Underemployment provides a useful indicator of the underutilisation of labour and skills in the labour market. According to this hours-constrained definition, underemployment in Scotland has risen from 7.3% in 2004, marginally above the UK rate of 6.7%, to 8.6% in 2014, lower than UK rate of 9.9% (ONS, 2014).

Table 3: Underemployment in Scotland (16+) 2008-2014 by gender and work patterns (Thousands/Rate)

Period	Male All (%)	Male FT (%)	Male PT (%)	Female All (%)	Female FT (%)	Female PT (%)
2004	79 (6.3)	33 (4.1)	46 (25.4)	96 (8.4)	28 (4.2)	68 (14.3)
2010	111 (8.7)	64 (5.7)	47 (31.1)	121 (10.2)	28 (4.1)	93 (18.2)
2014	95 (7.3)	49 (4.3)	46 (28.2)	122 (9.9)	28 (3.9)	94 (18.0)

Source: ONS 2015c

Table 3 indicates that underemployment levels are generally much higher for women, reflecting the fact that the majority of part-time workers are women. Over the period of the great recession, underemployment in Scotland increased by 57,000, a rise in the underemployment rate of 2.4%, 44% of which was accounted for by increases in female part-time underemployment. Over the whole period 2004 to 2014, underemployment increased by 41,700, predominantly driven by rising levels of underemployment among female part-time workers. Although the rate of increase in underemployment in male part time workers was higher at 48% compared to 38% for women part time workers between 2004 and 2008.

At a UK level, underemployment by major occupational grouping has risen across all categories since 2008. The highest increase in underemployment was experienced by individuals working in elementary occupations which include cleaning, personal services such as bar work and basic security functions. Underemployment in these occupations rose from 14.1% of the total employed in 2008 to 21.1% in 2014. Underemployment in sales and customer service occupations, which tends to be dominated by women, increased by 5.7% to 18.7% of the total employed in that category, making this the occupation group with the second highest percentage of underemployed workers (ONS, 2014).

The International Labour Organisation (ILO) uses a broader definition of underemployment than the ONS and defines it as:

“ all those who worked or had a job during the reference week but were willing and able to work more adequately” (ILO, 2015).

The ILO definition measures underemployment not just in terms of hours worked but also in terms of under-utilisation of skills, for example, graduates working in low skilled employment. There is limited data available on skills related underemployment partly because it is difficult to measure. However the UK Commission for Employment and Skills (2014b) found that the percentage of staff reported as over-qualified or over-skilled for the job they were doing was 17% in Scotland. There is some research to support the contention that women work below their current skills levels in an attempt to manage the balance between paid and unpaid work (Equal Opportunities Commission, 2005; Perrons, 2009). In other words, mothers returning to the formal labour market take employment below their qualifications and skill levels. This choice is made under conditions of constraint such as the inability to find suitable, affordable childcare. The evidence would suggest that women experience higher rates of underemployment compared to men both in terms of wanting to work additional hours or working at a lower level of skills than they are qualified to do. Furthermore these developments are associated with an increasing use of zero hours and short-term contracts by employers.

The Gender Pay Gap

The increasing participation of women in the labour market in Scotland has been accompanied by a fall in the gender pay gap (using medium hourly earnings for all employees including part-time but excluding overtime payments). In 1997 when the figures were first calculated it stood at 27.5% and by 2015 had fallen to its lowest recorded level of 16.8%. A similar pattern can be detected at a UK level where the gender pay gap has fallen from 27.5% in 1997 to 19.2% in 2015 (ONS, 2015d). At the current rate of decline, a crude calculation indicates that it will take until around 2050 for the gender pay gap to be eliminated altogether in Scotland. Part of the problem is the preponderance of part-time contracts amongst women, if we compare the gender pay gap amongst full time employees it is much lower at 7.3% in 2015 (Ibid). One reason for the persistence of the gender pay gap is the continued gender divide in terms of the occupations men and women are likely to pursue (see for example Olsen and Walby 2004, Hensen and Wahlberg 2008, Perales Perez 2010 and Couppié et al 2014). Despite the fact that women's educational attainment is consistently higher than men's, in 2013 57% of all women in employment were in medium to low skilled jobs compared to 37% of men (Scottish Government 2015:10).

Occupational Segregation

Occupational segregation by gender is one of the most pervasive articulations of women's inequality in labour markets. In all modern labour markets, men and women's paid employment is clustered to varying degrees into occupations that are dominated by their gender (Chang 2003, Blau et al 2013) and Scotland is no exception. Occupational segregation by gender can be horizontal or vertical. Horizontal segregation occurs where stereotyped assumptions about male and female capabilities and preferences concentrate women into predominantly 'female' occupations (and men into 'male' occupations). The current occupational figures for Scotland indicate that the most segregated occupations are Secretarial and Related occupations

(only 5% men) and Skilled Construction and Building trades (only 1% women) (ONS 2015e).

As Table 4 demonstrates women dominate employment in the public administration, education and health sector while other services, banking finance & insurance, along with distribution, hotels & restaurants are roughly in balance; men dominate all of the other sectors. In terms of the gender split by industry not much has changed over the ten years between 2005 and 2015 despite the increase in the number of women in the labour market during that time.

Table 4: Employment by Sector and gender 2005 & 2015 in Scotland (% of total)

Sector	2005 Women	2005 Men	2015 Women	2015 Men
Agriculture & forestry	23.2	76.8	19.2	80.8
Energy & Water	16.3	83.7	20.8	79.2
Manufacturing	26.4	73.6	26.0	74.0
Construction	12.7	87.3	14.2	85.8
Distribution, Hotels & Restaurants	54.0	46.0	53.4	46.6
Transport & Communications	23.9	76.1	21.7	78.3
Banking, finance & insurance	48.1	51.9	46.2	53.8
Public Administration Education & Health	71.5	28.5	70.7	29.3
Other Services	50.9	49.1	55.7	44.3

Source ONS: 2015e

Table 5: Occupational Segregation 2005 & 2015 in Scotland (% of total employment by gender)

Occupation	2005 Female	2005 Male	2015 Female	2015 Male
Managers, Directors & Senior Officials	5.9	10.8	6.9	10.6
Professional	17.3	15.8	20.8	18.9
Associate Professional & Technical	10.4	13.8	11.8	14.1
Administrative & Secretarial	21.7	4.9	17.8	4.2
Skilled Trades	2.3	20.2	2.3	19.8
Personal services	15.2	2.8	16.7	3.4
Sales & Customer Services	13.6	6.0	11.5	6.2
Process, Plant & Machine operators	1.9	12.9	1.5	10.3
Elementary	11.2	12.4	10.3	12.0

Source ONS: 2015e

In terms of occupations the evidence suggests that gender segregation is still a major problem and although women have increased their relative share in professional and senior positions, 46% of women were still employed in the relatively lower paid personal services, sales and administrative & secretarial occupations, slightly lower than the comparable figure in 2005 of 50.5%. As Table 5 indicates more women

are employed in professional occupations however it is in some of these areas that the biggest pay gaps exist. For example, the gender pay gap for professional, scientific and technical occupations was 31% in 2015 (ONS, 2015e). The Law Society of Scotland recently reported that there was a 42% pay gap between female and male solicitors in Scotland (Law Society, 2015).

Unpaid work and caring: 'women's work'?

It has been convincingly argued that women's uneven position in the paid labour market is intrinsically linked to their over-representation among those undertaking unpaid, reproductive work in the home (Ferrant et al 2014). Unpaid work in the form of care or domestic (re)production is not formally recognised in official statistics but rather is classified as economic inactivity. For women the main reason given for economic inactivity in Scotland was looking after the family/home 29.3% in July 2014-Jun 2015 compared to 8.2% for men. Men's main reason for economic inactivity was long-term sickness 31.9% (ONS, 2015a). Based on data from the Scottish Household Survey, during 2007-08, it was estimated that there were approximately 657,000 unpaid adult carers in Scotland, 62% of whom were women and over half of whom were of working age (Stewart and Patterson 2010). In 2012, the average number of hours per week that employed women spent on the provision of unpaid childcare in the UK was 47 hours compared to 26 hours for employed men - the highest in the EU. Employed women also do more household work - 14 hours versus 9 hours for employed men (Third European Quality of Life Survey, 2012). The OECD reported that in 2011 non-working fathers in the UK devoted less time to childcare (63 minutes per day) than working mothers (81 minutes per day) (Miranda 2011). This evidence suggests that even as women have moved into the paid

labour market in greater numbers, their role as care-givers and household 'provisioners' (Power 2004) has not necessarily diminished at the same rate, indicating a key labour market constraint for women in the form of a 'second shift' (Hoshchild and Machung 2012).

Unpaid work can include a variety of work, including domestic and care work, as well as voluntary work. The provision of unpaid work contributes greatly to the wellbeing of individuals, households and communities. Feminist economists have long argued that its omission from official measures of economic growth and performance, primarily GDP, undervalues women's true contribution to the economy by characterising unpaid work as 'unproductive' (Waring 1999, Hirway 2015). The United Nations estimated that if unpaid care work were assigned a monetary value it would constitute between 10% and 39% of global GDP (UN, 2013). Evidence suggests that care work, performed largely by women whether paid or unpaid, is particularly valuable to the Scottish economy, although estimations of the economic value of unpaid work are not routinely measured. Unpaid care and informal childcare, mostly undertaken by women, has been estimated to have an economic value of £340bn in the UK (ONS (2013). Any analysis of women's input to the Scottish economy must include unpaid work in order to be truly reflective of their contribution.

Conclusion

Women's attachment to the paid labour market, while increasing, has been markedly unequal to men's. Their over-representation among the low paid and part-time/casual workforce explains gendered unequal outcomes in terms of earnings, as does their lack of representation at the top of organization hierarchies and in public life. Patterns of occupational segregation that mirror gendered stereotypes in society tend to concentrate women into jobs that are lower paid, and often of lower 'status'; a process which begins at an early age and continues into university or vocational training and into the jobs market. Women continue to dominate as 'provisioners' of household (re) production and unpaid care work. Unpaid work, while largely invisible in official statistics, is of significant economic value to the Scottish economy. Women's over-representation in the unpaid sphere is also a key variable in explaining their unequal attachment to the paid labour market, when compared with men.

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Dr Jim Campbell

A Reader in Economics, Jim's current research is in the areas of Scottish economics performance and the gender impact of recession and recovery.

Emily Thomson

A Senior Lecturer in the Department of Law, Economics, Accountancy and Risk, Emily has undertaken extensive research into gender-based occupational segregation and the Scottish Modern Apprenticeship programme.

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For further information contact:

Alison Lockhart
Senior Administrator (Research)
WiSE Research Centre
Glasgow Caledonian University
Cowcaddens Road, Glasgow G4 0BA

T: 0141 331 8644 E: wise@gcu.ac.uk
www.gcu.ac.uk/wise